

Listing of the Claims

Claims 1-14 (Cancelled).

15. (Currently Amended) A method for exchanging payments, comprising the steps of:

representing an amount of a consumable item as currency;

expending a portion of the currency;

preventing the use of a portion of the consumable item in proportion to the amount of expended portion of currency, thereby creating a collateral security as an encumbrance on the portion of the consumable item;

contacting a clearing house to make a payment representing the expended portion of currency; and

after payment, releasing the encumbrance and thereby allowing the use of the portion of the consumable item.

Claims 16-19 (Cancelled)

20. (Currently Amended) A method of exchanging payments, comprising the steps of:

purchasing a consumable item;

creating a digital cash account for the consumable item having an amount proportionally related to the amount of the consumable item;

acquiring royalty based content that indicates an owner of the content and the amount of debit charge for using the content;

expending a portion of the consumable item wherein the use of the consumable item to recreate the royalty based content incurs a debit charge;

reducing the amount of the digital cash account by the amount of the debit charge incurred;

preventing the use of the consumable item in proportion to the reduced amount of the digital cash account of the consumable item, thereby bartering a portion of the consumable item for the use of the content; and

~~acquiring royalty-based content that indicates an owner of the content and the amount of debit charge for using the content; and~~

updating a digital cash account for the owner of the royalty based content by the amount reduced from the digital cash account for the consumable item.

Claim 21 (Cancelled).

5

22. (Original) An apparatus including a consumable item using the method of claim 15 to exchange payments.

Claim 23 (Cancelled).

10

24. (Original) An apparatus including a consumable item using the method of claim 20 to exchange payments.